

Message Text

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SUBJECT: COMMERCIAL ASPECTS KUWAIT NATIONAL HOUSING PROGRAM

1. DEPARTMENT WILL RECALL THAT WHEN EMBASSY RECOMMENDED USG PROVIDE REIMBURSABLE TECHNICAL ASSISTANCE TO KUWAIT NATIONAL HOUSING AUTHORITY (NHA) ONE ARGUMENT WAS POSSIBLE COMMERCIAL BENEFITS THAT WOULD ACCRUE TO US FIRMS. BELIEVE POSITIVE RESULTS ALREADY BECOMING EVIDENT.

2. WITH TWO AID-CONTRACT ADVISORS SUNDERLAND AND TERZO NOW ON BOARD AND WORKING FULL-TIME, NHA MOVING RAPIDLY TO IMPLEMENT WHAT LIKELY WILL BECOME BILLION DOLLAR HOUSING PROGRAM. RECENTLY, NHA HAS ADVERTISED FOR INTERNATIONAL CONTRACTORS TO REGISTER WITH A VIEW TOWARD LIKELY FUTURE WORK (SEE KUWAIT 2458). SO FAR, RESPONSE FROM US FIRMS HAS BEEN LESS THAN FROM EUROPEAN COMPANIES, BUT TOO EARLY TO EXPRESS DISAPPOINTMENT.

3. OF MORE IMMEDIATE SIGNIFICANCE ARE NEGOTIATIONS UNDERWAY WITH BECHTEL FOR ECONOMIC IMPACT STUDY AND VERY GOOD CHANCE BECHTEL HAS TO WIN IMPLEMENTATION CONTRACTS. POSSIBILITY EXISTS THAT BECHTEL COULD HAVE MAJOR SUPERVISORY ENGINEERING ROLE ANALOGOUS TO THAT IT HAS IN KUWAIT GAS UTILIZATION PROJECT. IN SHORT, POTENTIAL FOR BECHTEL TO WIN CONTRACT(S) WORTH SEVERAL MILLION DOLLARS IS QUITE GOOD.

4. SIGNIFICANCE OF REIMBURSABLE TECHNICAL ASSISTANCE PROGRAM,
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IN THIS CONTEXT, IS THAT SUNDERLAND AND TERZO, ACTING IN

THEIR PROFESSIONAL CAPACITIES AND WITH COMPLETE OBJECTIVITY, WERE ABLE TO IDENTIFY BECHTEL AS FIRM CAPABLE OF PERFORMING MAJOR WORK OF GREAT IMPORTANCE TO NHA. THUS, NHA DIRECTLY CONTACTED BECHTEL WHO IMMEDIATELY DISPATCHED REPRESENTATIVES HERE FOR TALKS. HOPEFULLY, CONTRACT CAN BE SIGNED WITHIN NEXT MONTH. SUNDERLAND AND TERZO WERE ACTING FAITHFULLY AS PROFESSIONALS FOR NHA, BUT IN PROCESS US FIRM HAS GOOD CHANCE OF WINNING MAJOR CONTRACT. SAME OPPORTUNITIES FOR OTHER AMERICAN COMPANIES ALSO EXISTS. WE BELIEVE, THEREFORE, THAT COMMERCIAL ARGUMENT IN SUPPORT OF REIMBURSABLE TECHNICAL ASSISTANCE PROGRAM ALREADY VINDICATED ONLY WEEKS AFTER SUNDERLAND TERZO ON THE SCENE.

5. EMBASSY WISHES TO STRESS THAT IT SCRUPULOUSLY AVOIDING EMBARRASSING AID-SUPPLIED CONTRACTORS, BUT AT SAME TIME NORMAL DAY-TO-DAY CONTACTS ALLOW EXCHANGE OF INFORMATION WHICH HELPS EMBASSY TO ASSIST US FIRMS INTERESTED IN WORKING WITH NHA. WE HOPEFUL BECHTEL AND OTHERS WILL BE ABLE SECURE LUCRATIVE CONTRACTS.

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